

Message Text

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PAGE 01 BRASIL 09616 191139Z

44

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TAGS: EMIN, BR

SUBJECT: COPPER AND TITANIUM DISCOVERIES IN BAHIA

1. SUMMARY: ACCORDING TO SEVERAL RECENT ANNOUNCEMENTS, IMPORTANT DISCOVERIES OF COPPER AND TITANIUM HAVE BEEN MADE IN THE BRAZILIAN STATE OF BAHIA. THE NEW BAHIAN COPPER DEPOSITS (IN THE CURACA VALLEY AREA) ARE ESTIMATED TO CONTAIN MORE THAN 17 MILLION METRIC TONS (MT) OF ORE, WITH AN AVERAGE OF AT LEAST 0.6 PERCENT METAL. IN ADDITION, NEARLY 85 MILLION MT OF TITANIUM-BEARING MATERIAL HAVE ALSO REPORTEDLY BEEN DISCOVERED NEAR CAMPO ALEGRE DE LOURDES, 500 MILES NORTHWEST OF SALVADOR. END SUMMARY.

2. THE BAHIAN COPPER DISCOVERY, ANNOUNCED BY THE FEDERAL GOVERNMENT'S COMPANHIA DE PESQUISAS DE RECURSOS MINERAIS (CPRM), WAS MADE IN AN AREA LONG CONSIDERED TO BE ONE OF THE MOST PROMISING IN BRAZIL. IN ADDITION TO COPPER, THE NEW RESERVES MAY CONTAIN SIGNIFICANT QUANTITIES OF GOLD AND AN ADDITIONAL UNSPECIFIED AMOUNT OF SILVER. THE DISCOVERY OF NEW COPPER DEPOSITS IN BAHIA IS NOT UNEXPECTED, SINCE PROSPECTING IN THE STATE HAS BEEN ACTIVE FOR SOME TIME, WITH SIGNIFICANT RESERVES (REPORTED TO TOTAL 6 MILLION MT) PREVIOUSLY DISCOVERED AT CARAIBAS, NEAR CURACA.

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PAGE 02 BRASIL 09616 191139Z

3. THE BAHIAN TITANIUM RESERVES - INCLUDING 18.7 MILLION MT OF TITANIUM DIOXIDE, 680,000 MT OF VANADIUM PENTOXIDE AND 56 MILLION MT OF FERROUS OXIDE - WERE DISCOVERED BY EMPRESA DE MINERACAO ABRICAVA AND THE STATE MINERALS EXPLORATION COMPANY (CBPM) AFTER 10 MONTHS OF EXPLORATION IN THE CAMPO ALEGRE REGION, LOCATED NEAR THE BORDER WITH PIAUI STATE, AND ARE REPORTEDLY THE FIRST INDICATIONS OF TITANIUM IN BAHIA. BECAUSE OF THE APPARENT MAGNITUDE OF THE RESERVES (OF ILMENITE TYPE), CBPM BELIEVES PRODUCTION OF BOTH ILMENITE AND SYNTHETIC RUTILE WILL BE CONOMICALLY FEASIBLE.

4. COMMENT: BRAZIL, WHICH PRODUCES ABOUT 400,000 METRIC TONS PER YEAR (MTY) OF COPPER ORE (CONTAINING 1 PERCENT METAL) FROM THE CAMAQUA MINE IN RIO GRANDE DO SUL STATE, AND ANOTHER 50,000 MT OF SECONDARY PRODUCTION FROM DOMESTIC FABRICATING MILLS, CURRENTLY IMPORTS REFINED COPPER AT A RATE APPROACHING 250,000 MTY. BECAUSE OF THIS NEAR-TOTAL DEPENDENCE ON IMPORTED COPPER, THE BRAZILIAN GOVERNMENT HAS PLACED GREAT EMPHASIS ON THE DISCOVERY AND EXPLOITATION OF NEW COPPER RESERVES. HOWEVER, NO NEW BRAZILIAN FINDS OF COPPER HAVE PROGRESSED TO THE STAGE OF METAL PRODUCTION, ALTHOUGH PLANS HAVE BEEN PREPARED FOR THE CONSTRUCTION OF TWO 100,000 MTY SMELTERS, DESIGNED TO PRODUCE AN ANTICIPATED TOTAL OF 100-110,000 MT OF METAL ANNUALLY FROM BRAZILIAN ORE AND 90-100,000 MTY FROM IMPORTED CONCENTRATE. THE REMAINING 100,000 MTY OF ANTICIPATED DEMAND (IN THE EARLY 1980'S) WOULD BE MET BY IMPORTS OF REFINED COPPER.

5. GEOLOGISTS CONSULTED BY CONGEN RIO CONSIDER THE URACA FIND TO BE SIGNIFICANT AND - TOGETHER WITH INCREASED PRODUCTION FROM THE CAMAQUA MINE AND EXPLOITATION OF THE CARAIBAS DEPOSITS - CAPABLE OF PROVIDING AS MUCH AS ONE-THIRD OF BRAZIL'S COPPER REQUIREMENT BY 1982/3. FOR AT LEAST THE SHORT TERM, HOWEVER, BRAZIL WILL CONTINUE TO BE HEAVILY DEPENDENT ON IMPORTED COPPER, WITH ZAMBIA, PERU, THE PHILLIPPINES, AND CHILE MENTIONED AS SOURCES FOR INCREASED BRAZILIAN DEMANDS.

6. BEGIN LIMITED OFFICIAL USE. IF THE BAHIAN TITANIUM RESERVES APPROACH THE 65 MILLION TON FIGURE PUBLICLY ANNOUNCED BY CBPM, IT WOULD CONSTITUTE THE SINGLE LARGEST (ILMENITE) SOURCE YET LIMITED OFFICIAL USE

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PAGE 03 BRASIL 09616 191139Z

DISCOVERED WITHIN BRAZIL, WHICH DOES NOT MINE ANY TITANIUM AT PRESENT. HOWEVER, OTHER SIZEABLE TITANIUM DISCOVERIES HAVE BEEN ANNOUNCED WITH SOME FANFARE IN THE PAST, WITH NO SUBSEQUENT DEVELOPMENT TAKING PLACE. THESE INCLUDE: FLORESTA DO RIO NEGRO, IN PERNAMBUCO (8/76), WHOSE RESERVES - ACCORDING TO MINES AND ENERGY MINISTER UEKI - WOULD LEAD TO BRAZILIAN SELF-SUFFICIENCY IN TITANIUM (A CLAIM SUBSEQUENTLY DENIED BY THE DEPARTAMENTO NACIONAL DA PRODUCAO MINERAL - DNPM); A TITANIUM RESERVE REPORTED-

LY FOUND NEAR HUMBOLT, IN THE NORTHWESTERN PART OF MATO GROSSO STATE (8/74); AND DEPOSITS AT CATALAO IN GOIAS (8/74). IN ADDITION, THE COMPANHIA VALE DO RIO DOCE AND NEW JERSEY ZINC HAVE AGREED TO JOINTLY UNDERTAKE A RESEARCH EFFORT TO DEVELOP TECHNOLOGY CAPABLE OF EXPLOITING THE ESTIMATED 350 MILLION MT OF ANATASE TITANIFEROUS ORES AT SALITRE AND TAPIRA, IN THE STATE OF MINAS GERAIS. A MAJOR - AND, TO DATE, INSURMOUNTABLE - PROBLEM ASSOCIATED WITH THE DEVELOPMENT OF TITANIUM IN BRAZIL IS THAT BRAZILIAN ORE GENERALLY CONTAINS TOO LOW A TITANIUM DIOXIDE CONTENT FOR THE CHLORIDE PROCESS TO BE USED, WHILE THE SULPHITIC PROCESS (USED AT THE TIBRAS PLANT IN BAHIA TO PROCESS IMPORTED ORE) IS ANTIQUATED, RELATIVELY INEFFICIENT AND CAUSES SERIOUS POLLUTION PROBLEMS. THESE DIFFICULTIES WOULD NOT APPLY TO THE PROCESSING OF CVRD'S ANATASE TITANIFEROUS RESERVES IN MINAS GERAIS, BUT SUCCESSFUL COMMERCIAL EXPLOITATION OF THESE DEPOSITS DEPENDS ON NEW TECHNOLOGY, AS YET UNTESTED IN THE BRAZILIAN ENVIRONMENT. END LIMITED OFFICIAL USE.

7. THIS MESSAGE WAS PREPARED BY MINERALS OFFICER, CONGEN RIO.
CRIMMINS

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